



**AGENDA**  
**Meeting**  
of the  
**BOARD OF DIRECTORS**  
of the  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
A Public Agency  
**March 8, 2011**  
**8:30 a.m.**  
**Santa Barbara MTD Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

**RECESS TO CLOSED SESSION– UNION NEGOTIATIONS– (ACTION MAY BE TAKEN)**

The Board will meet in closed session pursuant to Government Code §54957.6 to discuss labor negotiations with labor negotiators Sherrie Fisher, General Manager and Jerry Estrada, Assistant General Manager.

Employee Organization: International Brotherhood of Teamsters Union Local 186.

***PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS.***

**CONVENE TO REGULAR SESSION**

**1. CALL TO ORDER**

**2. ROLL CALL OF THE BOARD OF DIRECTORS**

Dave Davis, Chair; Roger Aceves, Vice Chair; Olivia Rodriguez, Secretary; Dick Weinberg, Director; Brian Fahnestock, Director; John Britton, Director; Chuck McQuary, Director

**3. REPORT REGARDING POSTING OF AGENDA**

**CONSENT CALENDAR**

**4. APPROVAL OF PRIOR MINUTES (ATTACHMENT- ACTION MAY BE TAKEN)**

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of February 22, 2011.

**5. CASH REPORT- (ATTACHMENTS- ACTION MAY BE TAKEN)**

The Board will be asked to review the cash report of February 15, 2011 through February 28, 2011.

**THIS CONCLUDES THE CONSENT CALENDAR**

**6. PUBLIC COMMENT**

Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk before the meeting is convened, a "Request to Speak" form including a description of the subject you wish to address. Additional public comment will be allowed during each agenda item, including closed session items. Please fill out the Request to Speak form and indicate the agenda item # that you wish to comment on.

**7. MTD PROCUREMENT MANUAL AMENDMENT (ATTACHMENT- ACTION MAY BE TAKEN)**

Staff recommends that the Board approve amending MTD's Procurement Manual as indicated on the attached staff report.

**8. GENERAL MANAGER'S REPORT- (ACTION MAY BE TAKEN)**

- a) Form 700
- b) GVPAC/Calle Real
- c) MTD/SBCAG service for Ventura
- d) Valley Express/ Summer Service
- e) TTAC Update
- f) Other

**9. OTHER BUSINESS AND COMMITTEE REPORTS- (ACTION MAY BE TAKEN)**

The Board will report on related public transit issues and committee meetings.

**10. RECESS TO CLOSED SESSION-GENERAL MANAGER PERFORMANCE EVALUATION (ACTION MAY BE TAKEN)**

Conference with Labor Negotiators pursuant to Government Code Section 54957.6:

SBMTD designated representatives: MTD Board of Directors

SBMTD unrepresented employee: General Manager, Sherrie Fisher

***PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS.***

**11. ADJOURNMENT**

**AMERICANS WITH DISABILITIES ACT:** If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



**DRAFT MINUTES**  
**Meeting**  
**of the**  
**BOARD OF DIRECTORS**  
**of the**  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**A Public Agency**  
**February 22, 2011**  
**8:00 a.m.**  
**Santa Barbara MTD Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

**1. CALL TO ORDER**

Chair Davis called the meeting to order at 9:00 a.m.

**2. ROLL CALL OF THE BOARD OF DIRECTORS**

Chair Davis reported that all members were present.

**3. REPORT REGARDING POSTING OF AGENDA**

Imelda Martin, Executive Assistant to the General Manager and Board of Directors reported that the agenda was posted on Friday, February 18, 2011 at MTD's Administration office, emailed to those on the agenda minutes list.

**RECESS TO CLOSED SESSION– UNION NEGOTIATIONS– (ACTION MAY BE TAKEN)**

The Board met in closed session pursuant to Government Code §54957.6 to discuss labor negotiations with labor negotiators Sherrie Fisher, General Manager and Jerry Estrada, Assistant General Manager.

Employee Organization: International Brotherhood of Teamsters Union Local 186.

Upon returning from closed session, Chair Davis reported that direction was given to labor negotiators.

**RECONVENE TO REGULAR SESSION**

**CONSENT CALENDAR**

**4. & 5. APPROVAL OF PRIOR MINUTES AND CASH REPORT- (ATTACHMENTS- ACTION MAY BE TAKEN)**

Director Rodriguez moved to approve the draft minutes for the meeting of February 8, 2011 and the cash report of February 1, 2011 through February 14, 2011. Director Britton seconded the motion. The motion passed unanimously. Director Fahnestock abstained due to his absence.

**THIS CONCLUDES THE CONSENT CALENDAR**

**6. PUBLIC COMMENT**

Steve Musick, member of the public and former Overpass Property tenant spoke under public comment. Mr. Musick provided the newer Board members with a brief introduction of himself.

**AT THIS TIME CHAIR DAVIS MOVED TO AGENDA ITEM #9.**

**9. GENERAL MANAGER'S REPORT- (ACTION MAY BE TAKEN)**

General Manager Fisher and Director Davis reported that the Electric Vehicle Workshop held at MTD on Saturday, February 12<sup>th</sup> was a successful and well-attended event.

General Manager Fisher reported that she and Steve Maas, Manager of Strategic Planning & Compliance, attended a meeting of the Goleta Valley Planning Advisory Committee (GVPAC). She reported that in the Draft Revised Goleta Valley Community Plan, County staff has proposed that the zoning of MTD's Calle Real Property be changed from agricultural to residential.

General Manager Fisher updated the Board relative to the SBCAG Board of Directors meeting of February 17. She reported that the vote for MTD to become an *ex officio* member of the SBCAG Board was defeated, with a vote of 6 ayes and 6 nays, with one member absent.

General Manager Fisher stated that discussions continue with SBCAG regarding the possibility of MTD providing peak-period commuter service between Ventura County and the South Coast.

**7. RECOMMENDED BUDGET REVISIONS FOR FISCAL YEAR 2010-11 (ACTION MAY BE TAKEN)**

Assistant General Manager/Controller Jerry Estrada reviewed the recommended budget revisions for fiscal year 2010-11. Mr. Estrada was pleased to report a balanced budget without the use of reserves. Following the detailed review of the budget revisions and a discussion, Director Aceves moved to approve the recommended budget revisions for fiscal year 2010-11. Director McQuary seconded the motion. The motion passed unanimously.

**CHAIR DAVIS EXCUSED HIMSELF FROM THE BOARD MEETING AT 9:40 AM**

**8. MTD PROCUREMENT MANUAL AMENDMENT (ATTACHMENT- ACTION MAY BE TAKEN)**

Assistant Controller Brad Davis reviewed the proposed amendments to the MTD Procurement Manual. Following a discussion pertaining to the amendments, Director Rodriguez move to request that Mr. Davis return with a final draft with the approved amendments at the following board meeting. Director McQuary seconded the motion. The motion passed unanimously.

**10. OTHER BUSINESS AND COMMITTEE REPORTS- (ACTION MAY BE TAKEN)**

Director Fahnestock reported that the Finance Committee had met to discuss and review the procurement manual that was discussed at today's meeting.

- 11.** Director Rodriguez moved to table agenda item # 11 to March 8, 2011. Director Britton seconded the motion. The motion passed unanimously.

**RECESS TO CLOSED SESSION-GENERAL MANAGER PERFORMANCE EVALUATION (ACTION MAY BE TAKEN)**

Conference with Labor Negotiators pursuant to Government Code Section 54957.6:

SBMTD designated representatives: MTD Board of Directors

SBMTD unrepresented employee: General Manager, Sherrie Fisher

**12. ADJOURNMENT**

Director Britton moved to adjourn the meeting at 10:05 a.m. Director McQuary seconded the motion. The motion passed unanimously.

**AMERICANS WITH DISABILITIES ACT:** If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.

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**Santa Barbara Metropolitan Transit District**  
**Cash Report**  
**Board Meeting of March 8, 2011**  
**For the Period February 15, 2011 through February 28, 2011**

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**MONEY MARKET**

**Beginning Balance February 15, 2011** **\$3,784,331.85**

SB-325 (LTF)	561,843.40
Passenger Fares	159,215.17
Measure "A"	149,130.92
Accounts Receivable	41,360.33
Miscellaneous/Asset Sales	1,130.94
Advertising/Prepaid Deposits	800.00
<b>Total Deposits</b>	<b>913,480.76</b>

ACH Garnishment Trf	(1,270.11)
Bank Fee - Feb 11	(2,702.88)
ACH Pensions Transfer	(32,105.10)
Operations Transfer	(87,665.54)
ACH Tax Deposit	(126,652.01)
Payroll Transfer	(306,925.82)
<b>Total Disbursements</b>	<b>(557,321.46)</b>

**Ending Balance** **\$4,140,491.15**

**CASH INVESTMENTS**

LAIF Account	\$3,293,275.67
Money Market Account	4,140,491.15

**Total Cash Balance** **\$7,425,377.98**

**SELF INSURED LIABILITY ACCOUNTS**

WC / Liability Reserves	(\$1,402,339.31)
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**Working Capital** **\$6,199,697.85**

**Santa Barbara Metropolitan Transit District**  
**Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
97790	2/18/2011	ARCHBALD & SPRAY	LEGAL COUNSEL	7,336.50	
97791	2/18/2011	ARIAS, IGNACIO	REIMBURSEMENT	39.00	
97792	2/18/2011	ANDREWS, HENRY	REIMBURSEMENT	269.49	
97793	2/18/2011	BIG BRAND TIRES	SERVICE VEHICLE MAINTENANCE	57.76	
97794	2/18/2011	BUENA TOOL, INC.	SHOP/B&G SUPPLIES	19.94	
97795	2/18/2011	CALIFORNIA ELECTRIC SUPPLY, IN	SHOP/B&G SUPPLIES	188.55	
97796	2/18/2011	CAPITOL HARDWARE & BUILDING	B&G REPAIRS & SUPPLIES	9.42	
97797	2/18/2011	CARQUEST AUTO PARTS	SV PARTS & SUPPLIES	136.49	
97798	2/18/2011	COAST TRUCK PARTS	BUS PARTS	513.78	
97799	2/18/2011	CUMMINS CAL PACIFIC LLC	BUS PARTS	196.78	
97800	2/18/2011	DOCUPRODUCTS CORPORATION	COPIER COPIES & SUPPLIES	195.72	
97801	2/18/2011	EVERYTHING ELECTRIC	BUS PARTS	37.45	
97802	2/18/2011	FEDEX OFFICE	PRINTING SERVICES	10.14	
97803	2/18/2011	FISHER, SHERRIE	REIMBURSEMENT	284.00	
97804	2/18/2011	FRAZEE INDUSTRIES, INC	BUS STOP MAINT.	49.11	
97805	2/18/2011	FUSES UNLIMITED, INC	SHOP SUPPLIES	29.78	
97806	2/18/2011	GIBBS INTERNATIONAL INC	BUS PARTS	1,039.59	
97807	2/18/2011	GILLIG LLC	BUS PARTS	1,085.14	
97808	2/18/2011	GLEASON, GARY	HEALTH/DENTAL REIMBURSEMENT	1,444.21	
97809	2/18/2011	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	478.90	
97810	2/18/2011	GRAINGER, INC.	BUS PARTS	42.47	
97811	2/18/2011	H.G. MAKELIM CO.	BUS PARTS	6,691.91	
97812	2/18/2011	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	15.32	
97813	2/18/2011	JOY EQUIPMENT PROTECTION, INC.	SERVICING FIRE EXTINGUISHERS	30.00	
97814	2/18/2011	KIMBALL MIDWEST	SHOP SUPPLIES	315.81	
97815	2/18/2011	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	258.30	
97816	2/18/2011	MC CORMIX CORP. (OIL)	LUBRICANTS	1,480.02	
97817	2/18/2011	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,174.46	
97818	2/18/2011	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	113.52	
97819	2/18/2011	NATIONAL INTERSTATE INS INC.	ESCROW INSURANCE	5,252.09	
97820	2/18/2011	NORTHWEST PUMP	FUEL ISLAND SUPPLIES	676.37	
97821	2/18/2011	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	2,263.45	
97822	2/18/2011	PHILLIPS 66-CONOCO-76	SERVICE VEHICLE FUEL	82.67	
97823	2/18/2011	PORT SUPPLY	BUS PARTS	144.84	
97824	2/18/2011	POWERSTRIDE BATTERY	EV BATTERIES	556.93	
97825	2/18/2011	ROGERS, SHEFFIELD & CAMPBELL,	LEGAL COUNSEL	3,142.50	
97826	2/18/2011	RON WILLIAMS MACHINE SHOP, IN	BUS REPAIRS	751.00	

Check #	Date	Company	Description	Amount	Voids
97827	2/18/2011	SB HISPANIC CHAMBER OF COMME	ANNUAL MEMBERSHIP	97.75	
97828	2/18/2011	SERVICE MASTER OF SANTA BARB	JANITORIAL SERV./SUPPLIES	5,252.00	
97829	2/18/2011	SM TIRE, CORP.	BUS TIRE MOUNTING	96.00	
97830	2/18/2011	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	15.23	
97831	2/18/2011	SMART & FINAL	OFFICE/MEETING SUPPLIES	217.28	
97832	2/18/2011	SO. CAL. EDISON CO.	UTILITIES	4,147.09	
97833	2/18/2011	SOUTHERN CALIFORNIA GAS COMP	UTILITIES	557.13	
97834	2/18/2011	SPECIALTY TOOL & BOLT	SHOP SUPPLIES	6.80	
97835	2/18/2011	TRI-COUNTY AUTO GLASS INC	REPLACE BUS WINDOWS	220.00	
97836	2/18/2011	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	250.45	
97837	2/18/2011	INTERSTATE CAPITAL CORPORATI	UNIFORMS	569.03	
97838	2/18/2011	VALLEY POWER SYSTEMS, INC.	BUS PARTS	165.26	
97839	2/18/2011	VALLEY POWER SYSTEMS, INC.	BUS PARTS	1,592.32	
97840	2/18/2011	VELEZ, PHILIP	REIMBURSEMENT	49.00	
97841	2/18/2011	VERIZON CALIFORNIA	TELEPHONES	2,423.74	
97842	2/18/2011	WESTERN STATES TRANSMISSIONS	BUS PARTS	7,137.63	
97843	2/18/2011	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	492.64	
97844	2/18/2011	WURTH USA WEST INC.	SHOP SUPPLIES	292.89	
97845	2/25/2011	CHILD SUPPORT ENFORCEMENT AG	PAYROLL RELATED	147.69	
97846	2/25/2011	CIO SOLUTIONS, LP	PROFESSIONAL SERVICES	962.50	
97847	2/25/2011	DEAILE, MARY	PAYROLL RELATED	106.15	
97848	2/25/2011	FIA CARD SERVICES	MISC CREDIT CARD CHARGES	4,095.31	
97849	2/25/2011	STATE OF CALIFORNIA	PAYROLL RELATED	175.00	
97850	2/25/2011	UNITED STATES TREASURY - IRS	PAYROLL RELATED	500.00	
97851	2/25/2011	SHERIFF CIVIL BUREAU	PAYROLL RELATED	509.43	
97852	2/25/2011	MARBORG INDUSTRIES (INC)	UTILITIES & RENTAL FEES	160.48	
97853	2/25/2011	MC CORMIX CORP. (OIL)	LUBRICANTS	1,480.02	
97854	2/25/2011	OTTIERI, ANN BRADY	PAYROLL RELATED	277.00	
97855	2/25/2011	SB COUNTY FEDERAL CREDIT UNIO	PAYROLL DEDUCTION	1,348.00	
97856	2/25/2011	SEELEY, KAREN	PAYROLL RELATED	75.69	
97857	2/25/2011	SOUTHERN CALIFORNIA GAS COMP	UTILITIES	50.46	
97858	2/25/2011	SB CITY OF-REFUSE/WATER	UTILITIES	609.64	
97859	2/25/2011	TEAMSTERS UNION LOCAL NO. 186	UNION DUES	61.00	
97860	2/25/2011	UNITED WAY OF SB	PAYROLL DEDUCTION	88.00	
97861	2/25/2011	VAQUERO SYSTEMS, L.L.C.	PERFORMANCE SYSTEM	15,000.00	
97862	2/25/2011	VERIZON CALIFORNIA	TELEPHONES	561.79	
97863	2/25/2011	VERIZON WIRELESS	WIRELESS PHONES	417.73	
97864	2/25/2011	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	44.00	

Check #	Date	Company	Description	Amount	Voids
				<b>87,665.54</b>	
Current Cash Report Voided Checks:				0.00	
Prior Cash Report Voided Checks:				0.00	
Grand Total:				<b>\$87,665.54</b>	



**Santa Barbara Metropolitan Transit District**  
**Cash Receipts of Accounts Receivable**

<b>Date</b>	<b>Company</b>	<b>Description</b>	<b>Amount</b>
2/11/2011	Wayne Kosaka Design	Advertising on Buses	4,381.00
2/15/2011	Godzilla Graphics	Advertising on Buses	6,321.00
2/15/2011	Rabobank, N.A.	Advertising on Buses	400.00
2/15/2011	Rabobank, N.A.	Advertising on Buses	880.00
2/17/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/17/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/17/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/17/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/17/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/17/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/22/2011	City of SB - Commuter Lot	Commuter Lot Shuttle - Jan 11	16,945.08
2/22/2011	County of Santa Barbara	Passes/Token Sales	3,490.25
2/22/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/22/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/22/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/22/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/23/2011	Cottage Hospital	Passes/Token Sales	337.50
2/23/2011	SB County Public Health	Passes/Token Sales	3,937.50
2/25/2011	S.B.C.A.G.	VE-CAE Commuter Service - Jan 11	4,428.00
2/28/2011	Department of Rehabilitation	Passes/Token Sales	20.00
2/28/2011	Department of Rehabilitation	Passes/Token Sales	20.00
<b>Total Accounts Receivable Paid During Period</b>			<b>\$41,360.33</b>



## BOARD OF DIRECTORS REPORT

**MEETING DATE:** MARCH 8, 2011 **AGENDA ITEM #: 7**

**TYPE:** ACTION

**PREPARED BY:** BRAD DAVIS

\_\_\_\_\_  
*Signature*

**REVIEWED BY:** GENERAL MANAGER

\_\_\_\_\_  
*Signature*

**SUBJECT:** MTD Procurement Manual Amendment – Revision 1

### **RECOMMENDATION:**

Staff recommends that the Board approve amending MTD's Procurement Manual as indicated on the attached "red-lined" pages from the manual.

### **DISCUSSION:**

The proposed changes to the MTD Procurement Manual cover five distinct areas, each corresponding to one of the attached page excerpts from the manual. A description of the modifications, which have been reviewed and approved by legal counsel, is provided below.

It was brought to the attention of the board in the previous meeting that the proposed language change to the first paragraph of section 5.1 of the manual resulted in an unintended change to the meaning of the paragraph. This error has been corrected in the revised page seven attachment. Otherwise, the proposed changes before the board remain the same. Also, per the direction of the board, the language from the MTD enabling act (Section 95000 et seq. of the California Public Utilities Code) referenced in Section 5.1 is provided for your reference:

"95520. The board shall appoint and fix the salary of a general manager, who shall have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district, and also of the administration of the business affairs of the district."

The full text of the enabling act has been attached as well for your reference.

Precedence of Laws and Regulations (§1.2)—Because federal and state laws and regulations change over time, policies within the Procurement Manual may become obsolete or in conflict with them. The clause added to Section 1.2 of the manual clarifies that if a conflict exists, the federal or state requirement takes precedence. The clause also indicates that MTD is not restricted from implementing a policy more restrictive than state or federal law provided that it is not in conflict with such law—which is applicable to the next recommended modification.

Dollar Threshold for Board Approval (§5.1)—Under MTD's enabling act in the California Public Utilities Code (PUC), the general manager is authorized to approve and execute all

agreements necessary for carrying out district business, regardless of dollar value. The clause added to Section 5.1 of the manual requires that approval by the MTD Board be obtained for all contractual arrangements with a dollar value greater than \$250,000.

Approval of Minor Price Discrepancies (§5.4.2)—Presently, the Procurement Manual requires that any price difference between an MTD purchase order and a vendor invoice shall require completion of a change request form and approval of such by the Controller. For minor discrepancies, the extra resources and delays are not deemed warranted or efficient. The clause added to Section 5.4.2 of the manual waives this requirement for any unit price increase that is less than 5% provided that such price difference is not greater than \$25.

Bid Bond Dollar Limitation (§8.2)—A bid bond protects MTD in the event that a low bidder fails to honor its bid. In such case, the bond pays MTD the difference between the low bid and the higher bid that MTD eventually accepts. The Procurement Manual currently stipulates that bidders on construction projects greater than \$25,000 in value provide a bid bond. However, the \$25,000 minimum is in conflict with Section 20284 of the PUC, which stipulates that all construction bids shall be accompanied by bid security. MTD legal counsel has determined that the bid bond requirement applies only to construction bids greater than \$3,000, which is the threshold established in PUC Section 20281 for requiring use of the sealed bid method.

Disposition of Surplus Assets (§12.5)—MTD property is found to be surplus if there is no further need for it, its replacement or repair is no longer obtainable, the useful life is completely exhausted, or the cost of repair exceeds its book value. The Procurement Manual currently stipulates that all surplus property be disposed of by auction or public notice of sale. The change to section 12.5 would allow disposal of surplus property by donation, recycling, or waste disposal if the cost to sell it is projected to exceed the sale proceeds.

#### **ATTACHMENTS:**

- Red-lined MTD Procurement Manual pages 1, 7, 10, 34, 48
- Santa Barbara Metropolitan Transit District Act of 1965 (State of CA PUC §95000 et seq.)

# SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

## PROCUREMENT MANUAL

### 1.0 INTRODUCTION

#### 1.1 Purpose

The purposes of this Procurement Manual are to:

- (a) Promote cost-effective procurement practices which to the fullest extent practical maximize the purchasing power of public funds expended by MTD;
- (b) Ensure the fair and equitable treatment of all individuals and firms affected by the MTD procurement system;
- (c) Foster effective and broad-based competition within the free enterprise system;
- (d) Provide safeguards for the maintenance of a procurement system characterized by fairness and integrity;
- (e) Establish a single reference source for all policies, standards, and procedures applicable to MTD procurements.

#### 1.2 Application

This document is intended to describe the methods and procedures by which the Santa Barbara Metropolitan Transit District (hereinafter “MTD” or “District”) purchases goods and services. The policies, standards, and other guidelines detailed herein shall govern all MTD procurements, regardless of their type, purpose, or dollar value. The contents of this Manual also are intended to guide the disposal of surplus property, unless governed by statute.

In some cases, procurements involving governmental grant funding are bound by special regulations promulgated by the grantor agency. Salient regulations for purchases of this nature are included and identified in this Manual so that the document may function as a comprehensive reference for all procurements regardless of their funding source.

While reasonable effort has been made to ensure that the policies of this Procurement Manual comply with applicable federal and state laws or regulations (requirements), where any conflict with such requirements exists, the federal or state requirement shall take precedence over and supersede this Procurement Manual policy. Compliance with such requirements shall not prevent MTD from implementing policies within this Procurement Manual that exceed federal or state requirements where such policies do not contradict the intent of those requirements.

#### 1.3 Goals of the MTD Procurement System

Procurement activities conducted by MTD are guided by the following goals:

- (a) Ensure full, open, and fair competition in the procurement of goods and services;
- (b) Conduct procurements in a manner which precludes the purchase of unnecessary and duplicative items;
- (c) Ensure that materials and services are obtained only from responsible, qualified firms having the capacity to perform successfully under the terms and conditions governing each procurement;

**REQUEST FOR PROPOSALS (RFP)**: All documents issued by MTD for the purpose of soliciting proposals from external parties for performance of work described therein.

**RESPONSIBLE BIDDER/PROPOSER**: A bidder or proposer determined by MTD to have the financial resources, technical ability, judgment, skill, and integrity to successfully fulfill the requirements of a contract.

**RESPONSIVE BID**: A bid which conforms to all technical and legal requirements contained in the Bid Documents.

**SCOPE OF SERVICES**: A description clearly defining the goods or services being procured, stated either through performance specifications and standards or a complete depiction of the tasks to be performed.

**FEDERAL TRANSIT ADMINISTRATION (FTA)**: An agency of the U.S. Department of Transportation empowered to provide grants to MTD and other agencies for procurement of goods and services. Purchases financed in any part with FTA grant monies must comply with all applicable procurement requirements promulgated by that agency.

## **5.0 SBMTD PROCUREMENT ORGANIZATION**

### **5.1 Delegation of Authority for Approval of Procurements**

Consistent with the ~~Public Utilities Code Section 95000-95006 act titled “Santa Barbara Metropolitan Transit District Act of 1965”~~ and, specifically, but without limitation, Section 95520 of that Act, the MTD Board of Directors authorizes and delegates to the General Manager the authority and responsibility to approve and execute:

- (a) All Purchase Requisitions;
- (b) All Purchase Orders and contracts;
- (c) Routine regular procurements, e.g., fuel and lubricants;
- (d) All contract documents, including amendments and change orders;
- (e) Settlement of claims against MTD in an amount not to exceed \$5,000 per claim;
- (f) Settlements in specific matters pursuant to authorization by the MTD Board of Directors.

The MTD General Manager is empowered to delegate any of the authorities described above. However, the General Manager shall retain overall responsibility for the control of such matters, and may, if necessary, supersede the procurement authority of any MTD employee.

Exception to this policy is permitted only in the event of an emergency situation (i.e., purchase is immediately necessary either to preserve life or property or prevent immediate termination of a critical MTD function or activity) wherein the General Manager is not available. In such situations purchases may be approved by the Controller or Assistant General Manager. If such approval is impossible due to the nature of the emergency, a necessary MTD procurement may be made by a department manager.

Notwithstanding the authority granted to the General Manager herein, the General Manager shall obtain approval from the MTD Board of Directors prior to executing any non-emergency procurement that exceeds \$250,000.

#### 5.4.2 General Purchase Order Procedures

The following procedures shall govern the processing of MTD Purchase Orders:

- i. No purchase order shall be issued without prior approval of a requisition. An exception is made for resupply of maintenance parts carried in perpetual inventory. For these purchases, an MTD computer generated Suggested Reorder Report (Min/Max List) signed by the Manager of Maintenance must be used in place of a requisition.
- ii. Requisitions and Reorder Reports shall be signed by the appropriate department manager and submitted to the Controller for processing.
- iii. Purchase order numbers will not be issued in advance of the actual document, except in case of emergency.
- iv. Purchase orders will be signed by the Controller and distributed as indicated on the original purchase requisition.
- v. Purchases are authorized only for the items listed on the purchase order, and only in the amounts and prices shown. When the requested items are received it shall be the responsibility of the ~~originating~~ party originating the purchase order to check such items for conformance with the purchase order.
- vi. Except as permitted under (vii), below, Any invoice discrepancies found by the ~~originating~~ party originating the purchase order shall be noted on a ~~Purchase Order Variance~~ Request for Change Form which shall be submitted to the Controller for review. Such form shall be processed and approved in the same manner as purchase orders. Unless ~~a Variance such Request for Change~~ Form is approved, no invoices will be paid above the amount shown on the original purchase order unless permitted under (vii), below.
- vii. Notwithstanding anything to the contrary above, any invoice unit price that exceeds the approved purchase order unit price by less than 5%, up to a maximum of \$25, shall not require a Request for Change form as a prerequisite to payment of the invoice.

#### 5.4.3 Emergency and Contract Service Procedures

In cases where goods or services are procured either due to emergency or for services provided under contract, responsibility for conducting the procedures detailed herein shall be assigned to the department which administers the subject activity. These responsibilities are listed below:

<u>Department</u>	<u>Services</u>
Administration	Telephones (Except T.C) Office Equipment Building Alarms
Finance	Keys & Locks

## 8.0 BONDING AND BID SECURITY

### 8.1 Types of Bonds and Bid Securities

MTD authorizes the use of three categories of bid securities (defined in Section 4.0) in connection with procurements:

- (a) Bid guarantee, consisting of cash, ~~a~~-bid bond, certified check, or other negotiable instrument acceptable to MTD which accompanies a bid for the purpose of assuring that the bidder will, upon MTD's acceptance of the bid, execute such contractual documents as may be required within the time specified;
- (b) Performance bond, used in connection with a contract to secure fulfillment of all the Contractor's obligations under such contract;
- (c) Payment bond, also used in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for therein.

No other types of bid securities shall be used in procurements conducted by MTD.

### 8.2 Conditions for Use

Bid securities shall not be required for non-construction procurements or contracts unless the Procurement Officer determines such to be necessary. Circumstances under which bid securities may be employed in non-construction procurements include, but are not limited to, the following:

- (a) The procurement involves equipment or services of a critical nature to the operations of MTD;
- (b) The procurement includes items being specially manufactured, thereby making procurement from another source difficult or unduly time-consuming.

The following standards shall govern the application of bid securities:

<b>Contract Type</b>	<b>Bid</b>	<b>Bond Type Performance</b>	<b>Payment</b>
<u>Construction</u>			
FTA Funded (Contracts over \$100,000)	5%	100%	100%
Non-FTA Funded ( <del>Over Bid bond required</del> <u>for contracts over \$3,000; all bond types required for contracts over \$25,000</u> )	5%	100%	100%
<u>Equipment (No Installation)</u> <sup>1</sup>			
FTA Funded	n/a	n/a	n/a
Non-FTA Funded	5% <sup>2</sup>	100% <sup>2,3</sup>	n/a
<u>Services (Except Personal or Professional)</u>			
FTA Funded	n/a	n/a	n/a
Non-FTA Funded	5% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>

#### Notes to Bid Security Standards:

<sup>1</sup> Equipment contracts involving installation are treated as construction contracts for bid security purposes.

<sup>2</sup> Only imposed if required by circumstances described in this Section.

<sup>3</sup> On standard bus procurements financed with FTA funds, MTD will lower the performance bond requirement to 20% if requested by one or more bidders.

**NON-CAPITAL ASSET:** Durable material or equipment with a unit cost of less than \$500.00 which is not expended during use. Such items, e.g., calculators and cameras are assigned a fixed asset number and entered into the MTD Fixed Asset Inventory.

### 12.3 Determination of Surplus Status

The determination of surplus is made by the Controller. Items shall be declared as surplus by MTD when:

- (a) There is and will be no further need for such items;
- (b) Spares for replacement and/or repair are no longer obtainable;
- (c) The useful life has been completely exhausted, or;
- (d) The cost of repairing an item exceeds its book value.

No MTD capital assets shall be considered for disposal unless declared as surplus by the Controller. The General Manager shall approve all such surplus property dispositions.

### 12.4 Pre-Sale Requirements

The following actions must be completed prior to the disposition of any asset defined in Section 12.2:

- (a) The manager of the department to which the asset is assigned shall submit a Request for Declaration of Surplus form to the Controller for approval;
- (b) The Controller shall verify the asset information against the Fixed Asset Master File residing in the central MTD computer data base. If the asset(s) in question meet the criteria stated in Section 12.3, the Controller shall sign the Declaration of Surplus form and by return copy inform the appropriate manager that disposition is authorized.

Under specific circumstances described herein approval must be obtained from FTA prior to disposition of any grant assisted asset. Pre-Sale procedures for such assets are described in Section 12.6.

### 12.5 Disposition Procedures

The Controller maintains responsibility for ensuring the proper disposition of surplus assets. The actual disposition may be conducted by the Controller or delegated to the Procurement Officer or other appropriate department manager. If the Controller determines that it would cost MTD more to follow the below-described sale procedures than MTD would receive in potential sale proceeds, the Controller shall authorize disposition of such assets through donation, recycling, or as waste disposal.

Surplus property is most commonly disposed of by means of an auction or public Notice of Sale. In the former method the Controller or designated manager shall contract with an Auctioneer to auction off all items in a public sale forum or in a series of public sales. MTD shall receive the proceeds of such sales (less applicable auction fees) and shall transmit titles and other documents as appropriate to the Auctioneer.

If an auction is not feasible, MTD may elect to dispose of items by direct sale. In this method a Notice of Sale is published in a local newspaper of general circulation and other media as considered appropriate by MTD. Such Notice shall:



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## **SANTA BARBARA METROPOLITAN TRANSIT DISTRICT ACT OF 1965**

### **SECTION 95000-95006**

95000. This act shall be known and cited as the "Santa Barbara Metropolitan Transit District Act of 1965."

95001. Unless the context otherwise requires, the provisions of this article govern the construction of this part.

95002. "District" means the Santa Barbara Metropolitan Transit District formed under this act.

95003. "Board" means the board of directors of this district.

95004. "Voter" means any elector who is registered under the Elections Code.

95005. "Transit" means the transportation of passengers only and their incidental baggage by means other than by chartered bus, sightseeing bus, or any other motor vehicle not on an individual passenger fare-paying basis. Nothing in this section shall be construed to prohibit the district from leasing its buses to private certified public carriers or to prohibit the district from providing schoolbus service for the transportation of pupils between their homes and schools.

95006. "Transit works" or "transit facilities" means all real and personal property, equipment, rights, or interests owned or to be acquired by the district for transit service.

### **SECTION 95030-95035**

95030. It is necessary that a transit district be established in the Santa Barbara metropolitan area which includes the City of Santa Barbara and adjacent territory, including but not limited to the Carpinteria, Summerland, Montecito and Goleta areas, all situated in Santa Barbara County, in order to meet the public transit problem of the area. The geographic location of the city in relation to the adjacent territory requiring transportation services makes it necessary to develop a single transit system to protect the public interest and welfare.

95031. The Santa Barbara Metropolitan Transit District may be created as provided in this act and when so created may exercise the powers herein granted.

95032. Except as otherwise provided in this act elections shall be held and conducted and the result ascertained, determined, and declared in, all respects as nearly as practicable in conformity with the general elections laws of the state.

95033. Except as otherwise provided in this part all ordinances and notices which are required to be published shall be published within the district pursuant to Section 6066 of the Government Code.

95034. Whenever the signature of any officer or employee of a district or of any member of the retirement board or of any officer or employee of the retirement system is authorized or required under the provisions of this act, except in the single instance provided in Section 96443, the signature may be made by the use of a plate bearing facsimiles of such signatures.

95035. The boundaries of the district shall not be affected by reason of the incorporation of any territory wholly or partly within the boundaries of the district, or by reason of annexation to or detachment from any city of territory wholly or partly within the boundaries of the district, except as provided in this part.

Where territory outside the district is annexed to any city included in the district, said territory shall, upon the completion of such annexation proceeding, be deemed incorporated into and annexed to the district; provided that, where territory which is incorporated as a new city is partly within and partly outside the district, that territory which is outside the district shall, upon the completion of such incorporation proceeding, be deemed incorporated into and annexed to the district; and provided further that no incorporated city now lying entirely outside the boundaries of the district shall be included within the district without the consent of the legislative body of said city, and any territory annexed by such city, if such annexed territory is then within the district, shall be automatically excluded from the district, unless the legislative body of the city shall otherwise declare in its ordinance of annexation.

Whenever territory is deemed incorporated into and annexed to the district pursuant to this section, such territory shall be subject to taxation, in accordance with the assessable valuation of the property thereof, for general district purposes and for the payment of any indebtedness theretofore or thereafter incurred by the district.

#### **SECTION 95100-95101**

95100. The City of Santa Barbara, together with unincorporated territory, may organize and incorporate as the Santa Barbara Metropolitan Transit District.

95101. The request for the formation of the Santa Barbara Metropolitan Transit District may be made by resolution or by petition as set out in this chapter.

#### **SECTION 95130-95132**

95130. The legislative body, the City Council of the City of Santa Barbara, may pass a resolution declaring that in its opinion public interest or necessity demands the creation and maintenance of the Santa Barbara Metropolitan Transit District.

95131. The resolution may state the transit facilities proposed to be first acquired, but failure to acquire such transit facilities shall not affect the validity of the district. The resolution shall set forth and describe the boundaries of the proposed district.

95132. Certified copies of the resolution shall be presented to the Board of Supervisors of Santa Barbara County requesting the board of

supervisors to call an election without delay for determining whether the district will be created.

### **SECTION 95160-95163**

95160. Instead of a resolution, a petition may be presented to the board of supervisors signed by voters within the proposed district equal in number to at least 25 percent of the total vote cast at the last general election.

95161. The petition shall contain substantially the same declarations and statements required to be contained in the resolution presented to the board of supervisors under this chapter, including the description of the boundaries, and declare that, in the opinion of the petitioners, public interest or necessity demands the creation and maintenance of the metropolitan transit district.

95162. The petition may be on separate papers, but each paper shall contain the affidavit of the person who circulated it certifying that each name signed thereto is a true signature of the person whose name it purports to be.

95163. The County Clerk of the County of Santa Barbara shall compare the signatures to the petition with the affidavits of registration and certify to their sufficiency or insufficiency.

### **SECTION 95190-95200**

95190. Upon receipt of certified copies of the resolution or of a sufficient petition, the board of supervisors shall hold a hearing on the question of forming a Santa Barbara Metropolitan Transit District. The hearing shall be held not less than 20 days nor more than 60 days following the filing of such resolution or petition. A notice of such hearing shall be published at least twice in newspapers of general circulation in the proposed district.

95191. The board of supervisors shall have the power to exclude unincorporated areas which, in the board's determination, would not receive reasonable benefit from inclusion in the district.

95192. At the conclusion of the hearing, if the board of supervisors approves the resolution or petition as originally presented or in modified form, it shall by resolution entered upon its minutes:

(a) Fix and describe the exterior boundaries of the proposed district as determined by the board of supervisors.

(b) Fix the date on which an election will be held in the proposed district and the hours during which the polls will be open.

(c) State the purpose for which the election is held.

95193. The election shall be held not less than 60 days nor more than 90 days from the date of the adoption of the resolution prescribed by Section 95192.

95194. The election shall be called by publishing notice calling the election pursuant to Section 6066 of the Government Code not less than 20 days before the election. Said notice need only specify the time and place of the election, the hours during which the polls will be open, the purpose of the election, and the description of the

exterior boundaries of the proposed district as determined by the board of supervisors.

No notice of the election other than the notice prescribed by this section need be given except that the county clerk shall mail notice of polling place and purpose of election to each qualified elector of the proposed district.

95195. The ballot for the election shall contain such instructions as are required by law to be printed thereon and in addition thereto the following:

Shall the "Santa Barbara Metropolitan Transit District" be created and established?	YES	
	NO	

95196. No person shall be entitled to vote at the election unless he is a voter of the territory included in the proposed district.

95197. The election may be held on the same day as any other state, county, or city election and be consolidated therewith.

95198. The board of supervisors shall meet on the Tuesday next succeeding the day of the election and canvass the returns.

95199. The board of supervisors shall make all provisions for the holding of the election throughout the entire district as proposed, and shall pay the cost thereof.

95200. If a special election is held exclusively on the proposition of organizing the district, the expenditure therefor shall be reimbursed to the county by means of a tax on all the taxable property within the district, and this tax shall be added to the next county tax bills by the proper official of the county.

## SECTION 95230

95230. If a majority of the electors voting on the proposition vote in favor of the creation and establishment of the district, the board of supervisors shall cause a certified copy of the order declaring the result of the election to be filed in the office of the Secretary of State, from and after which the establishment of the district shall be deemed complete.

## SECTION 95250

95250. No informality in any proceeding or in the conduct of the election, not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the incorporation of the district. Any proceedings wherein the validity of incorporation is denied shall be commenced within three months from the date of filing the order declaring the result of the election with the Secretary of State, otherwise the incorporation and the legal existence of the district shall be held to be valid and in every respect legal and incontestable.

#### **SECTION 95400-95404**

95400. The government of the district shall be vested in a board of seven members. Two of the directors shall be appointed by the Board of Supervisors of the County of Santa Barbara. Two of the directors shall be appointed by the City Council of the City of Santa Barbara. One of the directors shall be appointed by the City Council of the City of Carpinteria. One of the directors shall be appointed by the City Council of the City of Goleta. The six directors so appointed shall choose and appoint the seventh director. The board shall elect its chairman, and a majority vote is necessary for the election of the chairman of the board.

95401. These appointments shall be made within 30 days after the formation of the district.

95402. Any vacancy on the board, including any caused by the death or resignation of a member, shall be filled by the body which appointed the director whose office is vacated and the new appointee shall hold his office for the unexpired term.

Any vacancy created by the expiration of a term shall likewise be filled by the body which appointed the director whose term has expired.

95403. Each director shall, within 10 days after his appointment, and before entering upon the discharge of his duties of his office, take and subscribe to an oath in the form set forth in Section 3 of Article XX of the Constitution of California before an officer authorized by law to administer oaths. The oaths shall be filed in the office of the district.

95404. A person shall not be appointed to or be a member of the board unless he is a resident of the district and has resided within the district at least one year immediately prior to his appointment to the board.

#### **SECTION 95430**

95430. The term of office of each director is four years from the time of his appointment, except that for the board first appointed, the director appointed by the board as herein provided shall hold office for two years, and the remaining directors first appointed to the board shall classify themselves by lot, so that the two appointed by the board of supervisors shall hold office for one and three years and the two appointed by the city council shall hold office for two and four years.

#### **SECTION 95450-95460**

95450. The chairman is the presiding officer of the board and he shall vote on the propositions passed upon by the board.

95451. The first meeting of the board shall be held within 10 days of the appointment of its chairman. The board may make its own rules of procedure and determine the place and time of its meeting.

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95452. The board shall select one of its members vice chairman, who shall preside in the absence of its chairman. The board shall provide for and select such officers as it deems necessary to conduct the affairs of the district.

95453. All matters and things necessary for the proper administration of the affairs of the district which are not provided for in this act shall be provided for by the board.

95454. The board shall supervise and regulate every transit facility owned and operated by the district, including the fixing of rates, rentals, charges and classifications, and the making and enforcement of rules, regulations, contracts, practices, and schedules, for or in connection with any transit facility owned or controlled by the district.

95455. The board may either operate the transit system itself or a part thereof or it may contract with any other public or private agency or corporation to operate all or part of the transit system for the district or it may contract with any other public or private agency or corporation for the improvement in transit services, facilities, equipment or operations being operated and conducted by said agency or corporation in, and, or, out of, the district.

95456. The board may adopt a personnel system for the purpose of recruiting and maintaining an effective working force with good morale. The board shall by resolution determine and create such number and character of positions as are necessary properly to carry on the functions of the district and shall establish an appropriate salary, salary range, or wage for each position so created. The board may by resolution abolish any such position. Except as otherwise provided, appointments to such positions shall be made by the general manager.

95457. The board may from time to time contract for or employ any professional service required by the district or for the performance of work or services which cannot satisfactorily be performed by the regular employees of the district.

95458. The board shall have an annual audit made of all books and accounts of the district by a certified public accountant or public accountant. The general manager shall cause copies of such audit to be made available to the public at the cost of printing only.

95459. The board may provide by resolution, under such terms and conditions as it sees fit, for the payment of demands against the district without prior specific approval thereof by the board if the demand is for a purpose for which an expenditure has been previously approved by the board and in an amount no greater than the amount so authorized, and if the demand is approved by the general manager.

95460. To facilitate the business of the district, the board may provide for the creation and administration of such funds as the needs of the district may require. The funds shall be disbursed in accordance with rules established by the board and all payments from any fund shall be reported to the board.



## **SECTION 95490-95495**

95490. All meetings of the board shall be conducted in a manner prescribed by the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950), Part 1, Division 2, Title 5 of the Government Code.

95491. A majority of the board constitutes a quorum for the transaction of business.

95492. The board shall establish rules for its proceedings and may provide by ordinance or resolution that each member shall receive for each attendance at the meetings of the board the sum of sixty dollars (\$60) but not to exceed one hundred eighty dollars (\$180) in any calendar month and shall be allowed such necessary traveling and personal expenses incurred in the performance of his or her duties as authorized by the board.

95493. The acts of the board shall be expressed by motion, resolution, or ordinance. No ordinance shall be passed by the board on the day of its introduction, nor within three days thereafter, nor at any time other than a regular or adjourned regular meeting. No ordinance, resolution, or motion shall have any validity or effect unless passed by the affirmative votes of a majority of the directors.

95494. All ordinances shall be published after passage.

95495. The enacting clause of all ordinances shall be as follows:

"Be it enacted by the Board of Directors of the Santa Barbara Metropolitan Transit District:" All ordinances shall be signed by the chairman of the board or the vice chairman and attested by the secretary.

## **SECTION 95520-95536**

95520. The board shall appoint and fix the salary of a general manager, who shall have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district, and also of the administration of the business affairs of the district.

95521. All other things being equal, the board shall appoint as general manager, a person who has had experience in the construction or management of transit facilities.

95522. The general manager need not be a resident of this state at the time of his appointment.

95523. The general manager may be removed by the board upon the adoption of a resolution by the affirmative vote of not less than a majority of the board. Before the general manager may be removed, he shall, if he demands it, be given a written statement of the reasons alleged for his removal and he shall have the right to be publicly heard thereon at a meeting of the board prior to the final vote on the resolution providing for his removal, but pending and during such hearing the board may suspend him from office. The board may not reduce the salary of the general manager below the amount fixed at the time of his original appointment except upon the adoption of a resolution by a like vote and after a like opportunity to be heard. The action of the board in suspending or removing the general manager

or reducing his salary, if approved by a majority of the membership of the board, is final.

95524. Notwithstanding anything to the contrary in Section 95523, until such time as the district has operated, controlled, or used facilities or parts of facilities for providing the inhabitants within the boundaries of the district with transit services for a period of six months, the board may, but is not required to, appoint a general manager. A general manager appointed during such time holds office at the pleasure of the majority of the board.

95525. The board may appoint a secretary and an attorney who may hold office during the pleasure of the board.

95526. The attorney shall be admitted to practice law in the Supreme Court of the state, and shall have been actively engaged in the practice of his profession for not less than three years next preceding his appointment.

95527. The board may consolidate any of the district offices in one person.

95528. The oath of all appointive officers of the district shall be taken, subscribed, and filed with the secretary of the district at any time after the officer has notice of his appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

95529. Each appointive officer shall give such bond and in such amount as the board may require.

95530. Subject to the control of the board, the powers and duties of the general manager are:

- (a) To have full charge of the acquisition, construction, maintenance, and operation of the facilities of the district.
- (b) To have full charge of the administration of the business affairs of the district.
- (c) To see that all ordinances of the district are enforced.
- (d) To administer the personnel system adopted by the board and except for officers appointed by the board to appoint, discipline or remove all officers and employees subject to the rules and regulations adopted by the board.
- (e) To attend all meetings of the board and submit a general report of the affairs of the district.
- (f) To keep the board advised as to the needs of the district.
- (g) To prepare or cause to be prepared all plans and specifications for the construction of the works of the district.
- (h) To devote his entire time to the business of the district.
- (i) To perform such other and additional duties as the board may require.

95533. The attorney shall take charge of all suits and other legal matters to which the district is a party or in which it is legally interested. He shall give his advice or opinion in writing whenever required by the board. He shall be the legal adviser of the general manager and other district officers and shall prepare or approve the forms of all ordinances, resolutions, contracts, bonds, and other legal documents connected with the business of the district. He

shall perform such other and additional services as the board may require.

95534. The general manager shall cause to be installed and maintained a system of auditing and accounting which shall completely and at all times show the financial condition of the district. All warrants for the payment of demands against the district shall be paid in accordance with such rules as the board may establish.

95535. The general manager shall provide for the custody of the funds of the district and the keeping of accounts of all receipts and disbursements. Payments shall be made only upon warrants duly and regularly signed by the chairman or vice chairman of the board, or other person authorized by the board so to do, and by the general manager, treasurer, or secretary.

95536. With the consent of the board, the general manager may:

(a) Authorize the trust department of any state or national bank in this state, or a trust company authorized to act as such in this state, to receive as his agent deposits of any securities acquired by the district.

(b) Place and maintain for safekeeping as a trust deposit with the trust department of any state or national banks in this state, or a trust company authorized to act as such in this state, any securities owned by the district.

The bank or trust company selected shall have a total paid-in capital of at least one million dollars (\$1,000,000). The general manager shall take from the trust department or trust company a receipt for the securities, and neither the general manager nor the district is responsible for the custody and safe return of the securities until they are withdrawn from the trust department or trust company by the general manager. Any trust department or trust company to which securities are delivered, either as agent or depository for the general manager, shall make such deposition of the securities as the general manager directs and is responsible only for strict compliance with written instructions given to it by the general manager. All such securities are at all times subject to the order of the general manager.

## **SECTION 95650-95656**

95650. Whenever a majority of the employees employed by said transit district in a unit appropriate for collective bargaining indicate a desire to be represented by a labor organization, the board, upon determining as provided in Section 95651 that said labor organization represents the employees in the appropriate unit, and the accredited representative shall bargain in good faith and make all reasonable efforts to reach agreement on the terms of a written contract governing wages, salaries, hours, working conditions and grievance procedures. In case of a dispute over the terms of a written contract governing wages, salaries, hours or working conditions, which is not resolved by negotiations in good faith between the board and the representatives of the employees, the board and the representatives of the employees shall submit said dispute to the decision of the majority of an arbitration board, and the decision of a majority of such arbitration board shall be final. The arbitration board shall be composed of two representatives of the transit board and two representatives of the labor organization, and

they shall endeavor to agree upon the selection of a fifth member. If they are unable to agree, the names of five persons experienced in labor arbitration shall be obtained from the Supervisor of Conciliation of the Division of Conciliation, Department of Industrial Relations. The labor organization and the district shall, alternately, strike a name from the list so supplied, and the name remaining after the labor organization and the district have stricken four names, shall be designated as the arbitrator. The labor organization and the district shall determine by lot who shall first strike from the list. The expenses of such impartial arbitrator shall be provided half by the transit board and half by the labor organization.

No contract or agreement shall be made with any labor organization, association, group or individual where such organization, association, group or individual denies membership on the grounds of race, creed or color, provided such organization may preclude from membership any individual who advocates the overthrow of the government by force or violence.

95651. If there is a question whether a labor organization represents a majority of employees or whether the proposed unit is or is not appropriate, such matters shall be submitted to the State Conciliation Service for disposition. The State Conciliation Service shall promptly hold a public hearing and may, by decision, establish the boundaries of any collective bargaining unit and provide for an election to determine the question of representation. Provided, however, any certification of a labor organization to represent or act for the employees in any collective bargaining unit shall not be subject to challenge on the ground that a new substantial question of representation within such collective bargaining unit exists until the lapse of one year from the date of certification or the expiration of any collective bargaining agreement, whichever is later.

95652. Whenever any district acquires existing facilities from a publicly or privately owned public utility either in proceedings by eminent domain or otherwise, to the extent necessary for operation of facilities, all of the employees of such public utility whose duties pertain to the facilities acquired who have been employed by said utility for at least seventy-five (75) days shall be appointed to comparable positions in the district without examination and shall be governed thereafter by the personnel system adopted by the board, and these employees shall be given sick leave, seniority and vacation credits in accordance with the records of the acquired public utility.

The provisions of this section shall apply only to those officers or supervisory employees of the acquired utility as shall be designated by the board.

95653. Whenever any district acquires existing facilities from a publicly or privately owned public utility, either in proceedings in eminent domain or otherwise, that has a pension plan in operation, members and beneficiaries of such pension plan shall continue to have the rights, privileges, benefits, obligations and status with respect to such established system.

Whenever any such facilities are acquired by the district, the board shall consider and take into account the outstanding obligations and liabilities of the publicly or privately owned public

utility by reason of such pension plan and shall negotiate an allowance in the purchase price of such utility for the assumption of such obligations and liabilities when acquiring the facilities.

95654. The persons entitled to pension benefits as provided for in Section 95653 and the benefits which are provided shall be specified in the agreement or order by which any public utility is acquired by the district.

95655. All persons receiving pension benefits from such acquired public utility and all persons entitled to pension benefits under the pension plan of such acquired public utility may become members or receive pensions under the retirement system established by the district by mutual agreement of such persons and the district.

95656. Notwithstanding any provisions of the Government Code, the board may authorize payment of any or all of the premiums on any group life, accident and health insurance, health and welfare plan, or pension or retirement plan, on officers or employees of the district. Upon authorization by its employees, the district may make deductions from the wages and salaries of its employees:

(a) Pursuant to collective bargaining agreement with a duly designated or certified labor organization for the payment of union dues, fees, or assessments.

(b) For the payment of contributions pursuant to any health and welfare, pension, or retirement plan.

(c) For any purpose for which deductions may be authorized by employees of any private employer.

#### **SECTION 95800-95806**

95800. The board may establish a retirement system for the officers and employees of the district and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits or any of them.

95801. The district may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance, or other insurance, or by such means as in the opinion of the board will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

95803. The board may adopt all ordinances and resolutions and perform all acts necessary or convenient to the initiation, maintenance, and administration of the retirement system.

95804. Nothing in this chapter prevents the district from participating in and making all or part of its employees members of the State Employees' Retirement System by contract entered into between the district and the board of administration of the system under the State Employees' Retirement Law or from participating in the Federal Social Security Act pursuant to Part 4 (commencing with Section 22000), Division 5, Title 2 of the Government Code, and the district may perform all acts necessary or convenient for such participation. Nothing in this chapter shall prevent the district from participating in and making all of its employees members of the Santa Barbara County Employees' Retirement System.

95805. The board may classify and determine the officers and employees who shall be included as members in the retirement system and may change the classification from time to time. Membership of all officers and employees so classified and included in the retirement system is compulsory. The retirement system shall not apply to members of the board.

95806. In the event the board elects to adopt and maintain its own retirement system, that system shall comply with this article and the requirements of: (1) Article 2 (commencing with Section 95830), Article 3 (commencing with Section 95860) and Article 4 (commencing with Section 95890) of this chapter; or (2) applicable federal law to establish a qualified plan under Section 401 (a) of, and a tax exempt trust under Section 501 (a) of, the Internal Revenue Code of 1954, as amended.

#### **SECTION 95830-95836**

95830. The board may prescribe the terms and conditions upon which the officers and employees of the district or their beneficiaries shall be entitled to benefits and the amounts thereof, provided, that said board shall have no such authority respecting the County Employees Retirement Act of 1937.

95831. The retirement allowance may be predicated in part upon service rendered the district by a member prior to the establishment of the retirement system, which service is known as "prior service."

95832. The board shall provide that both the district and the members shall contribute to the retirement system. The rate of contribution by an officer or employee of the district becoming a member of the retirement system shall be so fixed as to provide, with accumulated interest and based on tables and assumptions adopted by the board, substantially one-half the value of any retirement allowance granted for service, exclusive of any credits allowed for prior service.

95833. All members of the retirement system shall contribute in the manner and amount fixed by the board and such contributions may be collected by deducting the amounts thereof from the salary, wages or compensation due such members.

95834. Liabilities accruing under the retirement system because of benefits other than such as are the equivalent of contributions by the members, with accumulated interests, shall be met by contributions by the district. Prior service or other liabilities of the district may be met by annual appropriations instead of by one appropriation for the total of the liabilities; but until the present value of regular contributions for current service, together with assets then available, equals the present value of all allowances and benefits granted or to be granted under the system, the appropriation for any one year when added to any unused balance of any previous appropriations for such purpose shall not be less than the amount disbursed during that year on account of prior service or other liabilities of the district.

95835. If any member withdraws from the retirement system prior to retirement the total amount contributed by him with such interest as

may be credited thereto, shall be returned to him; provided, however, that the board may prescribe the terms and conditions upon which a member, whose district service is terminated except by death or retirement, may elect to leave his contributions and interest thereon in the retirement fund, and the terms and conditions upon which a retirement allowance may be made to him after such termination based upon his contributions prior to such termination.

95836. All money received by any person as an annuity, pension, retirement allowance, disability payment or death benefit, from the retirement system, and all contributions and interest thereon returned to any member of the retirement system, whether in the actual possession of such member or deposited, loaned, or invested by him, is exempt from execution or any other process except to the extent permitted by Section 704.110 of the Code of Civil Procedure and is unassignable.

### **SECTION 95860-95863**

95860. The board shall create a retirement board of not more than five members, at least two members of which shall be the elected representatives of the employees, to administer the retirement system, and shall define its powers and duties and the tenure of the members.

95861. All members of the retirement board shall serve without pay.

95862. The retirement board shall determine the eligibility of officers, employees, and their dependents to participation in the system and shall be the sole authority and judge under such ordinances as may be adopted by the board as to the conditions under which persons may be admitted to and continue to receive benefits of any sort under the retirement system, and may modify allowances for service and disability. The determination of the retirement board shall be final and conclusive and shall not be modified or set aside except for fraud or abuse of discretion.

95863. If the district maintains its own retirement fund the retirement board shall have exclusive control of the administration, investment, and disbursement of such fund. Investment of the fund shall be subject to the terms, conditions, limitations, and restrictions imposed by the laws of this state upon savings banks in the making of investments by savings banks, and cash may be deposited in any licensed national bank or banks in this state or in any bank, banks, or corporations authorized or licensed to do a banking business and organized under the laws of this state.

### **SECTION 95890-95891**

95890. At least once in each four-year period after the establishment of the retirement system the board shall cause to be made an actuarial valuation of the assets and liabilities of the retirement fund and upon the basis of such investigation and valuation shall make such revision or change of the rate of contribution, the periods and conditions of service, and amounts of retirement allowances as may be necessary.

95891. Except as herein provided, no member of the board or of the retirement board, nor any member of the retirement system or employee

of the district, shall have any interest direct or indirect in the making of any investment or in the gains or profits accruing therefrom, and no such person, directly or indirectly, for himself or as an agent or partner of others, shall borrow any of its funds, nor shall any such person in any manner use the same except to make such current and necessary payments as are authorized by the retirement board, nor shall such a person become an endorser or surety as to, or in any manner an obligor for investments of the retirement fund.

## **SECTION 96000-96002**

96000. The district has perpetual succession and may adopt a seal and alter it at pleasure.

96001. The district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

96002. The district may exercise the right of eminent domain to take any property necessary or convenient to the exercise of the powers granted in this part. The district, in exercising such power shall, in addition to the damage for the taking, injury, or destruction of property, also pay the cost of removal, reconstruction, or relocation of any structure, railways, mains, pipes, conduits, cables or poles of any public utility or public district which is required to be moved to a new location.

No action in eminent domain to acquire property within any incorporated city or any county shall be commenced unless the legislative body of the affected city or county has consented to such acquisition by resolution.

No such taking or acquisition by the district which would involve the abandonment, removal, relocation, or use of property of a railroad corporation, as defined in Section 230 of this code, shall be permitted, unless the Public Utilities Commission, after hearing, shall find and determine that the public interest and necessity require the abandonment, removal, relocation, or use of such property and that such taking or acquisition will not unreasonably impair the ability of the railroad corporation involved to provide safe, adequate, economical, and efficient service.

## **SECTION 96030-96031**

96030. The district may make contracts and enter into stipulations of any nature whatsoever either in connection with eminent domain proceedings or otherwise, including, without limiting the generality of the foregoing, contracts and stipulations to indemnify and save harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this part.

96031. No officer or employee of the district shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom contrary to the provisions of Article 4 (commencing with Section 1090), Chapter 1, Division 4, Title 1 of the Government Code.



## **SECTION 96090-96091**

96090. The district may take by grant, purchase, gift, devise or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property within or without the district when in its judgment it is for the best interests of the district so to do.

96091. Whenever the board by resolution determines that any record, map, book, or paper in the possession of the district or any officer or employee thereof is of no further value to the district, the board may authorize its sale, destruction, or other disposition.

## **SECTION 96120-96130**

96120. The district may acquire, construct, own, operate, control or use rights-of-way, rail lines, buslines, stations, platforms, switches, yards, terminals, and any and all other facilities necessary or convenient for transit service within or partly without the district, underground, upon, or above the ground and under, upon, or over public streets or other public ways or waterways, together with all physical structures necessary or convenient for the access of persons and vehicles thereto, and may acquire any interest in or rights to the joint use of any or all of the foregoing; provided, that installations in any street, road or other property devoted to a public use shall be subject to consent of the governing body in charge of such public use.

96121. The district may without limitation by any other provisions of this part requiring approval of indebtedness, accept contributions of money, rights-of-way, labor, materials, and any other property for the acquisition, construction, maintenance and operation of transit facilities, and may without limitation by any other provisions of this part enter into any contracts and cooperation with and accept cooperation from the state, or any department, instrumentality, or agency thereof, or any public agency in the acquisition, construction, maintenance, and operation of, and in financing the acquisition, construction, maintenance, and operation of, any such transit facilities.

96122. The district shall not interfere with or exercise any control over any transit facilities now or hereafter owned, and operated wholly or partly within the district by any city or public agency, unless by consent of such city or public agency and upon such terms as are mutually agreed upon between the board and such city or public agency.

96123. The district may lease or contract for the use of its transit facilities, or any portion thereof, to any operator, and may provide for subleases by such operator upon such terms and conditions as it deems in the public interest. The word "operator" as used in this section means any city or public agency or any person, firm or private corporation.

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96124. The district may construct and operate or acquire and operate works and facilities in, under, upon, over, across, or along any street or public highway or any stream, bay or watercourse, or over any of the lands which are the property of the state, to the same extent that such rights and privileges appertaining thereto are granted to municipalities within the state, and to install adequate bus stops, including the painting of curbs, subject to the consent of the governing body in charge of such streets, highways, stream, watercourse or lands.

96125. The district may enter into agreements for the joint use of any property and rights by the district and any city, public agency or public utility operating transit facilities; may enter into agreements with any city, public agency or public utility operating any transit facilities, either wholly or partially within, or without, the district, for the joint use of any property of the district or of such city, public agency or public utility, or the establishment of through routes, joint fares, transfer of passengers or pooling arrangements.

96126. The rates and charges for service furnished pursuant to this part shall be fixed by the board and shall be reasonable.

96127. The board of supervisors or the city council of a municipality having territory located within the district may file a request for a hearing before the district board as to the reasonableness of any rates or charges fixed by the district and as to any proposal for fixing the location of facilities by the district. The request shall be in writing and shall state the subject matter on which a hearing is desired.

96128. Upon the filing of a request for hearing as provided in Section 96127 the district board shall fix the time and place for hearing. The time fixed shall not be less than 15 days nor more than 60 days from the date such request is filed. Notice of such hearing shall be given to the county or city requesting such hearing and shall be published by the board.

96129. At the time fixed for any hearing before the board any board of supervisors or city council eligible to file a request for hearing, not a party to the original request for hearing, may intervene and shall be entitled to be heard and to introduce evidence.

96130. Within 30 days after submission of the case, the board shall render its decision and its decision shall be final.

### **SECTION 96150-96153**

96150. The district may borrow money for the purpose of defraying the expenses of the district lawfully incurred after the commencement of the fiscal year, but prior to the time moneys from the tax levy for the fiscal year are received by the district, in a sum which shall not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation of taxable property in the district at the time the moneys are borrowed, and may evidence such borrowing by notes bearing interest at a rate not to exceed 6 percent per annum. The notes shall be payable from the tax levy from the then current

fiscal year, which levy shall contain a sum sufficient to provide for the payment of the notes and the interest thereon. The form of said notes and the proceedings relating to their issuance and sale, will be governed by the applicable provisions contained in Article 7 (commencing with Section 53820) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

96151. The board of directors of a district may, within a period of two years from and after the formation of the district, pursuant to a resolution adopted by it for the purpose, borrow money on certificates of indebtedness, promissory notes, or other evidences of indebtedness, in anticipation of the estimated tax revenue for the following fiscal year, to be repaid within four years from the date of borrowing with interest at a rate not to exceed 6 percent per annum, in order to enable the district to meet all of its necessary initial expenses of organization, construction, acquisition, maintenance, and operation. The total amount of money borrowed and indebtedness incurred under this section during this two-year period shall not exceed 50 percent of the total amount of estimated tax revenue as estimated by the county auditor of the county in which the district lies for the following fiscal year.

The form of said notes and the proceedings relating to their issuance and sale, will be governed by the applicable provisions contained in Article 7 (commencing with Section 53820) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

96152. The district shall not incur an indebtedness under Chapter 7 (commencing with Section 96400) of this part which in the aggregate exceeds two (2) percent of the assessed value of all the real and personal property within the district.

96153. The district may accept, without limitation by any other provisions of this part requiring approval of indebtedness, contributions or loans from the United States, this state, or any department, instrumentality, or agency of either thereof, for the purpose of financing the acquisition, construction, maintenance, and operation of transit facilities, and may enter into contracts and cooperate with, and accept cooperation from, the United States, this state, or any department, instrumentality, or agency of either thereof, in the acquisition, construction, maintenance, and operation, and in financing the acquisition, construction, maintenance, and operation of any such transit facilities in accordance with any legislation which Congress or the Legislature of the State of California may have heretofore adopted or may hereafter adopt, under which aid, assistance, and cooperation may be furnished by the United States or this state in the acquisition, construction, maintenance, and operation or in financing the acquisition, construction, maintenance and operation of any such transit facilities. The district may do any and all things necessary in order to avail itself of such aid, assistance, and cooperation under any federal or state legislation now or hereafter enacted. Any evidence of indebtedness issued under this section shall constitute a negotiable instrument.

## **SECTION 96180-96192**

96180. The district may invest any surplus money in its treasury, including money in any sinking fund, in any of the following:

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(a) Its own bonds.

(b) Treasury notes, certificates of indebtedness, bills, bonds of the United States, or any other evidence of indebtedness secured by the full faith and credit of the United States.

(c) Obligations issued pursuant to the Federal Home Loan Bank Act or the National Housing Act.

(d) Treasury notes or bonds of this state, or of any public corporation, municipal corporation, public district, or political subdivision within this state which are legal as security for the deposit of public funds.

96190. Such investment may be made by direct purchase of any issue of such bonds, treasury notes, or obligations, or part thereof, at the original sale or by the subsequent purchase of the bonds, treasury notes, or obligations.

96191. Any bonds, treasury notes, or obligations purchased and held as investments by the district may from time to time be sold and the proceeds reinvested in bonds, treasury notes, or obligations as provided in this article.

96192. Sales of any bonds, treasury notes, or obligations purchased and held by the district shall from time to time be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds, treasury notes, or obligations were originally purchased was placed in the treasury of the district.

### **SECTION 96220-96230**

96220. The district may levy, and collect or cause to be collected, taxes for any lawful purpose subject to a maximum limit of five cents (\$.05) per one hundred dollars (\$100) of assessed value of all real estate and personal property; provided however, the district shall have the further power to levy, collect or cause to be collected, said property taxes to a maximum limit of ten cents (\$.10) if approval is first obtained from the City Council of the City of Santa Barbara and the Board of Supervisors of the County of Santa Barbara.

96221. If, in the opinion of the board, the transit operation revenues will not be sufficient for any and all lawful purposes the board shall levy a tax for such purpose or purposes and fix the amount of money necessary to be raised therefor by taxation.

96222. The board shall, in addition to the general tax levy as set forth in Section 96220, levy and collect annually until the district's bonds are paid, or until there is a sum in the treasury of the district set apart for that purpose to meet all sums coming due for principal and interest on the bonds as they become due a tax sufficient to pay the annual interest on the bonds and such part of the principal thereof as becomes due before the proceeds of a tax levied at the next general tax levy will be available. If the maturity of the indebtedness created by the issue of bonds begins more than one year after the date of the issuance thereof, the tax shall be levied and collected annually at the time and in the manner aforesaid, sufficient to pay the interest on the indebtedness as it falls due and to constitute a sinking fund for the payment of the principal on or before maturity.

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96223. The board may provide for the assessment, levy, and collection of taxes by the district, including the sale of property to the district for delinquent taxes, with penalties, interest, and cost.

96224. The board shall avail itself of the assessments made by the assessor of the county and of the assessments made by the State Board of Equalization for the county and shall take such assessments as the basis for district taxation and have its taxes collected by the tax collector of the county.

96225. In such case the county auditor shall, on or before the third Monday in August of each year, transmit to the board a statement in writing showing the total value of all property within the district, ascertained from the assessments referred to in Section 96224 as equalized.

96226. The board shall, on or before the first day in September, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property transmitted to the board by the county auditor, which rate of taxation shall be sufficient to raise the amount previously fixed by the board. These acts by the board shall constitute a valid assessment of the property and a valid levy of the taxes so fixed, but the rate of taxation shall not exceed the limit imposed by this article.

96227. The board shall immediately after fixing the rate of taxes as above provided transmit to the county auditor of the county a statement of the rate of taxes fixed by the board.

96228. The district's taxes so levied shall be collected at the same time and in the same manner as county taxes. When collected the net amount, ascertained as provided in this article, shall be paid to the treasurer of the district, under the general requirements and penalties provided by law for the settlement of other taxes.

96229. Whenever any real property has been sold for taxes and has been redeemed, the money paid for redemption shall be apportioned and paid to the district by the county treasurer in the proportion which the tax due to the district bears to the total tax for which the property was sold.

96230. The compensation to be charged by and paid to any county for the performance of services under this article shall be fixed by agreement between the board of supervisors of the county and the board. The compensation shall in no event exceed one-half of 1 percent of all money collected for the district. The compensation collected by the county shall be placed to the credit of the county general fund.

All taxes levied under this part are a lien on the property on which they are levied and shall become a lien at the same time as county taxes. The enforcement of the collection of such taxes shall be in the same manner and by the same means provided by law for the enforcement of liens for county taxes, all the provisions of law relating to the enforcement of the latter being made a part of this part so far as applicable.

**SECTION 96400-96412**

96400. The district may from time to time incur a bonded indebtedness as provided in this chapter to pay the cost of acquiring, constructing, or completing the whole or any portion of any transit facilities, or for acquiring any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes, or powers of the district.

96401. Whenever the board by resolution passed by vote of two-thirds of all its members determines that the public interest or necessity demands the acquisition, construction, or completion by the district of any transit facilities or any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, the cost of which will be too great to be paid out of the ordinary annual income and revenue of the district, it may at any subsequent meeting of the board provide by ordinance for the submission of the proposition of incurring a bonded indebtedness for the purpose set forth in the resolution to the voters of the district at a special bond election held for that purpose.

96402. In lieu of a resolution passed by the board, proceedings for the issuance of bonds for the purposes provided in this chapter may be initiated by petition of the voters of the district.

96403. Whenever any petition signed by voters within the district equal in number to at least 15 percent of the total vote cast at the last general statewide election is presented to the board asking for the acquisition, construction, or completion of the whole or any portion of any transit facilities or for acquiring any works, lands, structures, rights, equipment, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, and also asking that a bonded indebtedness be incurred to pay for the cost thereof, the secretary of the district shall immediately examine and verify the signatures of the petition and certify the result of the examination to the board.

96404. If the required number of signatures is found to be genuine, the secretary shall transmit to the board an authentic copy of the petition without the signatures.

96405. Upon receiving a petition with the certificate of the secretary stating that it contains the required number of signatures, the board shall formulate for submission to the voters of the district at a special bond election called for that purpose the proposition of incurring a bonded indebtedness for the purposes set forth in the petition. In its discretion the board may defer the calling of the election until the next general election to be held in the district in order to consolidate them.

96406. The ordinance calling a special bond election shall fix the date on which the election will be held, and the manner of holding the election and of voting for or against incurring the indebtedness.

It shall also recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated cost of the transit facilities, works, lands, structures, rights, equipment, or

other property proposed to be acquired, constructed, or completed, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on the indebtedness, which shall not exceed 6 percent per annum, payable semiannually or annually the first year and thereafter semiannually.

96407. Propositions for incurring indebtedness for more than one object or purpose may be submitted at the same election.

96408. Any special bond election may be held separately, or may be consolidated with any other election authorized by law at which the voters of the district may vote. If a special bond election is consolidated with any other election, the provisions of this chapter setting forth the procedure for the calling and holding of the special bond election shall be complied with, except that the ordinance calling the election need not set forth the election precincts, polling places, and officers of election, but may provide that the precincts, polling places, and officers of election shall be the same as those set forth in the ordinance, notice, or other proceedings calling the election with which the special bond election is consolidated, and shall refer to the ordinance, notice, or other proceedings by number and title, or by other definite description.

96409. The ordinance shall be published, and no other notice of election need be given.

96410. The board shall comply with Article 3, (commencing with Section 9160) of Chapter 2 of Division 9 of the Elections Code, the provisions of which are applicable to any bond election held pursuant to this article. Wherever the words "county clerk" or "county elections official" appear in the Elections Code the words "secretary of the board" shall be substituted, for the purposes of this article, and wherever the words "board of supervisors" appear in the Elections Code, the words "board of directors" shall be substituted, and wherever the words "district attorney or county counsel" appear in the Elections Code, the words "attorney for the district" shall be substituted.

96411. The votes of two-thirds (2/3) of all the voters voting on the proposition at the election are required to authorize the issuance of bonds under this chapter.

96412. If the proposition submitted at a special bond election fails to receive the requisite number of votes, the board shall not within six months after the election hold another special election for the submission of a proposition of incurring a bonded indebtedness substantially the same as the proposition voted upon at the prior election unless a petition signed by voters within the district equal in number to at least 15 percent of the total vote cast at the last general statewide election is filed with the board, requesting that the proposition, or a proposition substantially the same, be submitted at an election to be called for that purpose.

#### **SECTION 96440-96443**

96440. Bonds authorized by this chapter shall mature serially in amounts to be fixed by the board; except that payment shall begin not

later than 10 years from the date thereof and shall be completed in not more than 50 years from that date.

The board may divide any issue of bonds authorized pursuant to this chapter into two or more series, and may fix different dates of issuance and different maturity dates for the bonds of each series. The bonds of each series shall mature serially in amounts to be fixed by the board, and the board shall fix a date not more than 10 years from the date of issuance of each series for the earliest maturity of such series, and shall fix a date not more than 50 years from the date of issuance of each series for the final maturity of such series.

Pending the actual issuance or delivery of bonds, a district may issue temporary or interim bonds, certificates, or receipts, of any denomination whatsoever, with or without coupon, and in such form as may be prescribed by the board, to be exchanged for definite bonds when ready for delivery.

96441. The bonds shall be issued in such denominations as the board determines, except that no bonds shall be of a denomination less than one hundred dollars (\$100), nor of a greater denomination than one thousand dollars (\$1,000) or any multiple thereof, and shall be payable on the day and at the place or places fixed in the bonds, and with interest at the rate specified therein, payable semiannually.

96442. The board may at any time prior to the issuance and sale of any bonds provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity at not exceeding the par value and accrued interest plus a premium of not exceeding 5 percent upon the principal amount of the bonds, in which event the call price fixed by the board shall be set forth on the face of the bond. Notice of such redemption shall be published. If there is no newspaper of general circulation printed and published within the district, then the publication shall be made in a newspaper of general circulation printed and published within the county in which the district or any part thereof is situated. The first publication shall be at least 30 days prior to the date fixed for the redemption. After the date fixed for such redemption interest on the bonds thereafter shall cease.

96443. The bonds shall be signed by the president of the board or by such officer of the district as the board shall by resolution authorize and designate for that purpose. They shall also be signed by the treasurer, and be countersigned by the secretary. The coupons of the bonds shall be numbered consecutively and be signed by the treasurer. All signatures and countersignatures, except one of the signatures or countersignatures on the bonds, may be printed, lithographed, or engraved. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before the delivery of the bonds to the purchaser, the signature or countersignature is nevertheless valid and sufficient for all purposes as if he had remained in office until the delivery of the bonds.

#### **SECTION 96470-96472**

96470. The bonds may be issued and sold for not less than their par value, but otherwise as the board determines. Before selling any bonds, or any part thereof, the board shall give notice inviting



sealed bids in such manner as the board may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either again give notice inviting bids or sell the bonds at private sale.

96471. All premiums and accrued interest received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds. The remainder of the proceeds of the bonds shall be placed in the district treasury to the credit of the proper fund, and shall be used exclusively for the objects or purposes for which the bonds were voted; provided that when such objects and purposes have been accomplished any moneys remaining shall be transferred to the fund to be used for the payment of principal of and interest on the bonds, and that when all principal of and interest on the bonds shall have been paid, any balance of money then remaining shall be transferred to the general fund of the district.

96472. In lieu of the immediate levy of a tax to pay the interest or any part thereof on any bonded indebtedness incurred in accordance with this division, the board may in the estimate of the amount of money necessary to be raised by the bonds include a sum sufficient to pay interest on all of the bonds or part thereof during the period of acquisition, construction, or completion, but for no period in excess of five years.

#### **SECTION 96500-96506**

96500. Whenever the board by resolution passed by a vote of two-thirds of all its members determines that the refunding of the whole or any portion of the bonded indebtedness will be of advantage to the district the board may refund the bonded indebtedness or any portion thereof and issue refunding bonds of the district therefor.

96501. The issuance of refunding bonds shall not be construed as the incurring or increase of an indebtedness within the meaning of this act, and the approval of the voters is not required for the issuance of refunding bonds. The board may provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity in the ordinance authorizing the issuance of the refunding bonds.

96502. Except as otherwise provided, the provisions of this chapter shall substantially govern as to all matters pertaining to the issuance of refunding bonds, including and without limiting the generality of the foregoing, the form, execution, issuance, maturity, redemption, refunding, validation, the payment of interest from bond funds, and the status of the bonds as investments.

96503. Refunding bonds shall bear interest at a rate not exceeding the interest rate on the refunded bonds, but payment of the refunding bonds shall begin not later than one year from the date thereof and be completed in not more than 40 years from that date.

96504. The proceeds of the sale of refunding bonds shall be applied only to the purchase, or retirement at not more than par and accrued

interest, or the call price, of the bonded indebtedness for which the refunding bonds were issued.

96505. In lieu of selling refunding bonds and using the proceeds to purchase or retire the bonds to be refunded, the board may exchange refunding bonds at not less than par and accrued interest for the bonds so refunded.

96506. Whenever outstanding bonds are refunded they shall be surrendered to the treasurer of the district, who shall cancel them by endorsing on their face the manner in which the refunding was effected (whether by exchange or purchase, and the amount for which so purchased, if any) and by perforating through each bond and each coupon attached thereto the word "canceled" together with the date of cancellation.

### **SECTION 96530-96531**

96530. All bonds including refunding bonds issued by a district are legal investments for all trust funds and for the funds of all insurance companies, banks, both commercial and savings, and trust companies, and for the State School Fund and for all sinking funds under the control of the State Treasurer. Whenever any money or funds may by law be invested in or loaned upon the security of bonds of cities, cities and counties, counties, or school districts, in the state, such money or funds may be invested in or loaned upon the security of the bonds of the district; and whenever bonds of cities, cities and counties, counties, or school districts by law may be used as security for the faithful performance or execution of any court or private trust or of any other act, bonds of the district may be so used.

96531. All bonds of the district, to the same extent as bonds of any other municipality, are legal for use by any state or national bank or banks in the state as security for the deposit of funds of the state or of any county, city and county, city, municipality, or other public or municipal corporation within the state.

### **SECTION 96560**

96560. An action to determine the validity of bonds, including refunding bonds, may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

### **SECTION 96590-96591**

96590. As an alternative procedure for the raising of funds, the district may issue bonds, payable from revenues of any facility or enterprise to be acquired or constructed by the district, in the manner provided by the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), all of the provisions of which are applicable to the district.

96591. The district is a local agency within the meaning of the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code). The term

"enterprise" as used in the Revenue Bond Law of 1941 shall, for all purposes of this part, include transit facilities and any and all parts thereof and all additions, extensions and improvements thereto and all other facilities authorized to be acquired, constructed or completed by the district. A district may issue revenue bonds under the Revenue Bond Law of 1941, for any one or more facilities or enterprises authorized to be acquired, constructed, or completed by a district or, in the alternative, may issue revenue bonds under the Revenue Bond Law of 1941, for the acquisition, construction and completion of any one of such facilities. Nothing in this article shall prevent the district from availing itself of, or making use of, any procedure provided in this part for the issuance of bonds of any type or character for any of the facilities or works authorized hereunder, and all proceedings may be carried on simultaneously or, in the alternative, as the directors may determine.

#### **SECTION 96750-96757**

96750. Territory may be annexed to the district in the manner provided in this chapter.

96751. Whenever the board finds and determines that additional territory will be benefited by annexation to the district, it shall pass a resolution to that effect.

96752. The resolution shall be passed by a vote of two-thirds of the members of the board and be approved by the board of supervisors of the county in which the territory is situated.

96753. The resolution shall:

(a) Describe the boundaries of the territory proposed to be annexed.

(b) Designate the proposed annexation by an appropriate name.

(c) Declare that the area to be annexed to the district will be benefited by such annexation.

(d) Name the time and place for the hearing of objections by any person interested in the proposed annexation.

96754. The resolution, together with the names of the members of the board, voting for and against it shall be published pursuant to Section 6066 of the Government Code in a newspaper published in the territory proposed to be annexed, or if there is no such paper, then in some newspaper of general circulation, circulated in such territory.

96755. On the day fixed for hearing or any day to which the hearing is adjourned, the board shall hear and consider any objections presented to the annexation of the territory. After the hearing of objections, if it shall be determined by a vote of two-thirds of all the members of the board that the territory proposed to be annexed will be benefited by such annexation, the board shall proceed to fix and determine the boundaries of the territory to be annexed to the district.

96756. After making all necessary and proper changes in the boundaries, by a resolution passed by a vote of two-thirds of the members, the board shall order the annexation of the territory so described. The resolution, together with the names of the members of the board voting for and against the same shall be spread upon the minutes of the board.

96757. Whenever any territory is annexed to the district it shall thereupon become a part of the district subject to all the liabilities and entitled to all the benefits of the district.

#### **SECTION 96900-96902**

96900. Territory within the district may be detached from the district by a four-fifths vote of the board of directors.

96901. The detachment of territory from the district shall become effective upon giving of the notice required in Section 96902, provided that the detached territory shall not be relieved from liability for taxation for the payment of any bonded indebtedness existing at the time of detachment.

96902. Notice of detachment of territory from the district shall be given to each assessor whose roll is used for the tax levy made pursuant to this part and with the State Board of Equalization pursuant to Government Code Sections 54900 et seq.

#### **SECTION 97000-97007**

97000. If the district operates no transit facilities, or its exterior boundaries become coincident with the boundaries of a single city, the board may call an election at any time for the purpose of submitting to the voters of the district the question whether the district will be dissolved. Upon the filing with the secretary of the district of a petition signed by voters within the district equal in number to at least 25 percent of the total vote cast at the last general statewide election, asking that the question of dissolution of the district be submitted to the voters of the district, the board shall call such an election.

97001. The election for the purpose of submitting to the voters of the district the question of whether or not the district shall be dissolved shall be held within 60 days next succeeding the date on which the petition is filed.

97002. Notice of any election for dissolution, whether called because of the filing of a petition or ordered by the board without petition, shall be published. The date fixed for the election shall not be less than 30 days from the date of the first publication of the notice.

97003. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition the following:

Shall the Santa Barbara Metropolitan Transit District be dissolved?	YES	
	NO	

CA Public Utilities Code - Santa Barbara Metropolitan Transit District Act of 1965

97004. The board shall canvass the vote. If a majority of the votes favor dissolution, the board shall by resolution dissolve the district.

97005. The board shall file a certified copy of the resolution with the Secretary of State and for record in the office of the county recorder.

97006. Upon dissolution the right, title, and interest to property owned or controlled by the district situated within the limits of any city vests absolutely in the city. If such property is situated outside the limits of a city, it vests in the county in which it is situated.

97007. The board of supervisors is, ex officio, the governing body of any dissolved district. It may levy taxes and assessments and perform other acts necessary to wind up the district affairs and to raise money for the payment of outstanding indebtedness.

To: Chair Davis  
Members of the Board of Directors  
From: Sherrie Fisher, General Manager  
Date: 3/8/11  
Subject: Administrative Update

The full integration of Google Transit has been completed and access to our trip planner function is now available on the landing page of the MTD website and on mobile devices.

The planning department is working on the August service changes, and will be presenting the Board with a draft proposal on March 22nd.

Additionally, the planning department had an opportunity to participate in an intensive three-day Trapeze training program. The new version 10 of the Trapeze scheduling and blocking program has new tools that will help to make MTD transit runs more efficient than ever.

The marketing department has many public outreach events planned for the next few months. The following are a few examples:

- Kids Expo at La Cumbre plaza on March 5<sup>th</sup>
- A bus familiarization tour at Maravilla on March 10th
- Earth Day Festival on April 16th and 17th
- Citrix Online Earth Day/Bike Day event on April 22nd

Additionally, the marketing department has been working with the Transit Center Customer Service staff to initiate new ways to improve the customer service program and enhance the passenger experience.

Operations held the first of four 2011 VTT (Verification of Transit Training) sessions last week. The subjects discussed were wellness, general safety, and current issues. Part of the wellness discussion included information pertaining to health issues such as diabetes, which affect one's ability to get, keep, or maintain a commercial license. This has been an issue for several operators in the recent past. The information was well received.

The Spring bid process has now been completed. The bid will begin on March 14<sup>th</sup>, 2011.

Operation's new Supervisors, Larry Ballard, Manny Castanon, and David McDermmot have begun training with MTD trainer James Sumner. As is the case for all Supervisors, they will also be required to complete online Drug and Alcohol training, and receive two hours of Harassment/Hostile Workplace Prevention training with HR & Risk Manager Gabe Garcia. Additionally, they will become CPR certified, as are the rest of the Supervisors. They will then go into the field with senior Supervisors to learn the various positions and duties.

The Risk Department is working on the property insurance renewal. A staff recommendation will be brought to the Board at the meeting of April 5<sup>th</sup>. The current policy expires on May 23, 2011.

The HR Department held a staff benefits open enrollment drop-in session on Tuesday, February 17<sup>th</sup>. The session was well attended. Representatives from MTD's insurance

broker, Brown and Brown and a representative of PacifiCare were present to answer questions from staff members.

Jerry Estrada and I attended the annual Coastal Express meeting to review Coastal Express Service, held last Friday at Carpinteria City Hall, in conjunction with SBCAG and VCTC members and staff.

Staff attended a meeting of SBCAG's Technical Transportation Advisory Committee (TTAC) on Thursday, March 3<sup>rd</sup>. MTD is a voting member of TTAC. TTAC recommended that the SBCAG Board approve the Measure A revenue estimate for the five-year period beginning with FY 2012. TTAC was asked to recommend that SBCAG join the "CalVan" program. CalVan would be a Joint Powers Agreement (JPA) between several MPOs to provide vanpool service aimed primarily at agricultural workers. SBCAG staff stated that they believe there will be no financial obligations associated with joining CalVan. However, TTAC members had a number of questions, and voted to request that those questions be answered in the staff report to be presented to the SBCAG Board on March 17<sup>th</sup>. TTAC also reviewed SBCAG's legislative platform for FY 2012. The TTAC meeting was followed by a Measure A and Transportation Development Act (TDA) workshop for agency staff.

The transmission in MCI Bus #801 has been overhauled by Western States Transmission.

Valley Power Systems replaced the dual power inverter modules (DPIM's) in buses #906 and #907. The energy storage system (battery pack / ESS) will be removed from #906 and taken back to VPS for rework.

EV 19 with the LiFEPO4 batteries has been running in service since last week. A minor problem with the Battery Management System (BMS) has yet to be solved. This problem does not prevent the EV from daily use. The problem has been communicated to Winston Battery (formerly Thunder Sky) for advice to resolve.

Valley Power Systems has completed installation of two Donaldson low NOx DPF systems on Buses #711 and #712. The Johnson Matthey system for Bus #713 has not yet been shipped. No shipping date is currently available.

To date, Saft has not been able to find a buyer for the fifty-four (54) saleable STM 180 batteries that they are holding as salvage shipped by MTD. They recently had a need for s modules while reconditioning another customer's battery pack. Saft will provide to MTD six new STM 140 modules for the STM 180 modules used.

The second FY 2010–11 inventory cycle count was completed last week.

The annual report to CARB for MTD's fleet NOx and PM emissions has been filed and accepted subject to the protocol review process.